## Message Text

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**ORIGIN EB-07** 

INFO OCT-01 EA-06 IO-10 ISO-00 TRSE-00 COME-00 STR-01

SIL-01 LAB-04 TAR-01 CIAE-00 INR-07 NSAE-00 RSC-01

SS-15 NSC-05 SP-02 /061 R

DRAFTED BY TREASURY:MCHAVES/EB/OT/TA:DGRIMMER:LV APPROVED BY EB/ITP:MGLITMAN EA/ANP:MMICHAUD COMMERCE:AGAREL STR:SLANDE

----- 05773

R 040025Z JAN 75
FM SECSTATE WASHDC
TO AMEMBASSY CANBERRA
INFO USMISSION GENEVA

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E.O. 11652: N/A TAGS: ETRD, AS

SUBJECT: AUSTRALIA TARIFF QUOTAS REF: CANBERRA 08017, STATE 273043

1. THE U.S.IS SERIOUSLY CONCERNED ABOUT THE IMPLICATIONS
OF AUSTRALIA'S RECENT EFFORTS TO COUNTER RISING UNEMPLOYMENT BY DISCOURAGING IMPORTS. OF PRIMARY CONCERN TO US
ARE THE IMPLICATIONS FOR THE WORLD'S TRADING SYSTEM OF THE
NEW TARIFF QUOTAS ON TEXTILES AND POSSIBLE FUTURE TARIFF
QUOTAS NOW UNDER STUDY ON OTHER ITEMS. AS COUNTRIES
WORLDWIDE CONTINUE TO REGISTER RISING LEVELS OF UNEMPLOYMENT AND EXPERIENCE DOMESTIC ECONOMIC STAGNATION, THE
TEMPTATION GROWS TO TURN INWARD AND IMPOSE RESTRICTIVE
TRADE MEASURES. THERE IS A REAL DANGER THAT COUNTRIES
WILL FOLLOW EACH OTHER DOWN THE PATH OF BEGGAR-THY-NEIGHBOR
POLICIES TO THE DETRIMENT OF THE INTERNATIONAL ECONOMIC
SYSTEM.

2. AUSTRALIA HAS SIGNED THE OECD TRADE PLEDGE, AND WE ARE LIMITED OFFICIAL USE

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CONCERNED THAT MEASURES TAKEN FOR BROAD UNEMPLOYMENT REASONS

NOT BE USED AS A "LOOPHOLE" TO ESCAPE THE OECD COMMITMENT. THIS WOULD BE MOST UNFORTUNATE AT A TIME WHEN WE ARE ABOUT TO EMBARK ON SERIOUS INTERNATIONAL TRADE NEGOTIATIONS TO REDUCE TRADE BARRIERS.

3. EMBASSY IS REQUESTED TO TAKE EARLY OPPORTUNITY TO EXPRESS THESE CONCERNS TO APPROPRIATE LEVEL AUSTRALIAN OFFICIALS AND REPORT ANY FURTHER INFORMATION ON ADDITIONAL

ITEMS UNDER STUDY WHICH MAY BECOME SUBJECT TO TARIFF QUOTAS.

4. FYI. DEPT ASST SEC STATE GLITMAN RAISED AUSTRALIAN ACTIONS IN GENERAL TERMS WITH AUSTRALIAN EMB ECON MIN SMITH ON JAN 2. SMITH WAS UNABLE RESPOND FULLY ON ISSUE AND PROMISED GET BACK TO US. SMITH WAS TOLD WE PLANNED RAISE SUBJECT IN CANBERRA. END FYI. KISSINGER

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## Message Attributes

Automatic Decaptioning: X Capture Date: 01 JAN 1994 Channel Indicators: n/a

**Current Classification: UNCLASSIFIED** 

Concepts: TRADE LAW, EMPLOYMENT, TARIFFS, FOREIGN POLICY POSITION, IMPORT CONTROLS

Control Number: n/a Copy: SINGLE Draft Date: 04 JAN 1975 Decaption Date: 01 JAN 1960 Decaption Note: Disposition Action: RELEASED Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: MorefiRH
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975STATE001803

Document Number: 1975STATE001803
Document Source: CORE
Document Unique ID: 00

Drafter: MCHAVES/EB/OT/TA:DGRIMMER:LV

Enclosure: n/a Executive Order: N/A Errors: N/A

Film Number: D750004-0462

From: STATE

Handling Restrictions: n/a

Image Path:

Legacy Key: link1975/newtext/t19750177/aaaacqbf.tel Line Count: 78 Locator: TEXT ON-LINE, ON MICROFILM

Office: ORIGIN EB

Original Classification: LIMITED OFFICIAL USE

Original Handling Restrictions: n/a
Original Previous Classification: n/a Original Previous Handling Restrictions: n/a

Page Count: 2

Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE

Previous Glassification: Elimited OFFICIAL USE Previous Handling Restrictions: n/a Reference: 75 CANBERRA 08017, 75 STATE 273043 Review Action: RELEASED, APPROVED Review Authority: MorefiRH

Review Comment: n/a Review Content Flags: Review Date: 23 JUN 2003

**Review Event:** 

Review Exemptions: n/a
Review History: RELEASED <23 JUN 2003 by KelleyW0>; APPROVED <30 JUL 2003 by MorefiRH>

**Review Markings:** 

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JÚL 2006

**Review Media Identifier:** Review Referrals: n/a Review Release Date: n/a Review Release Event: n/a **Review Transfer Date:** Review Withdrawn Fields: n/a

Secure: OPEN Status: NATIVE

Subject: AUSTRALIA TARIFF QUOTAS TAGS: ETRD, AS, US

To: CANBERRA

Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006